

Message Text

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S E C R E T SECTION 01 OF 02 LONDON 06409

LIMDIS

SECDEF MR. MURRAY AND DASD BERGOLD

E. O. 11652: XGDS-1

TAGS: OTRA, MARR, UK, NATO

SUBJECT: VISIT OF DEFENSE SECRETARY MASON

1. GENERAL. (UNDERLINED) SECRETARY MASON'S 29 MAY VISIT TO WASHINGTON FOR TALKS WITH SECRETARY SCHLESINGER PRESENTS AN EXCELLENT OPPORTUNITY FOR ESTABLISHING A CLOSE, SYMPATHETIC RELATIONSHIP WITH ONE OF THE LABOR PARTY'S MORE MODERATE FIGURES AT A TIME WHEN DEFENSE IS UNDER REAL PRESSURE IN THE UK AND WHEN OUR ADVICE AND SUPPORT COULD BE PARTICULARLY USEFUL TO HIM AND OTHER FRIENDS OF US WITHIN THE PARTY. MASON IS FULLY AWARE OF THE STRAINS THAT CHARACTERIZED ANGLO-US POLITICO-MILITARY RELATIONS IN THE LAST YEAR OF LORD CARRINGTON'S MINISTRY, AND HE WILL BE ALERT TO DEMONSTRATE WHEREVER POSSIBLE THE WILSON GOVERNMENT'S DETERMINATION TO REPAIR AND REVITALIZE THAT RELATIONSHIP. AS A RESULT, SECRETARY MASON IS DOUBLY LIKELY TO PROVE RECEPTIVE TO ADVICE AND ADVOCACY DURING NEXT WEEK'S VISIT.

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2. ATMOSPHERICS. (UNDERLINED) SECRETARY MASON PUTS

GREAT EMPHASIS ON PERSONAL RAPPORT, AND HIS PRIMARY GOAL IN THE 29 MAY TALKS WILL BE TO ESTABLISH A GOOD WORKING RELATIONSHIP WITH SECRETARY SCHLESINGER. AS YOU KNOW, MASON'S RELUCTANCE TO PARTICIPATE IN AN INFORMAL TRI-LATERAL MEETING WITH THE SECRETARY AND HERR LEBER NEXT WEEK WAS PRINCIPALLY PSYCHOLOGICAL: HE WANTED TO MEET AND GET TO KNOW EACH MAN FIRST SO THAT HE COULD COME TO SUBSEQUENT TRILATERAL MEETINGS (ABOUT WHICH HE IS EN-THUSIASTIC) MORE CONFIDENT IN HIS PERSONAL RELATIONSHIPS.

3. PERSONAL. (UNDERLINED) MASON IS A THOROUGHLY POLITICAL ANIMAL, A MANAGER BY INSTINCT BUT NOT--SO FAR AS WE CAN TELL--A STRATEGIC THINKER. A SELF-MADE MAN WHO WENT INTO THE COAL PITS AT 14, HE HAS RISEN QUICKLY WITHIN THE LABOR PARTY (HE WAS A JUNIOR MINISTER IN DEFENSE AND CHAIRMAN OF THE BOARD OF TRADE IN THE PREVIOUS WILSON GOVERNMENT). HE IS AMIABLE AND RECEPTIVE, WELL TO THE RIGHT IN A PARTY PUBLICLY COMMITTED TO BUDGETARY REDUCTIONS THAT WOULD UNDERCUT THE SECURITY POSITION HE APPEARS DETERMINED TO UPHOLD.

4. SUBSTANCE. (UNDERLINED) WHILE SECRETARY MASON PROBABLY WILL WANT TO EXCHANGE VIEWS ON HOW NATO CAN FUNCTION BETTER WITHIN RESOURCE LIMITATIONS AND ON THE CONVENTIONAL BALANCE AND MBFR (WHERE COST CONSTRAINTS ARE CAUSING THE NEW GOVERNMENT TO LOOK MORE FAVORABLY ON POSSIBLE BRITISH REDUCTIONS EARLY IN PHASE II), THE COMPREHENSIVE DEFENSE REVIEW BEING CONDUCTED BY THE DEFENSE STAFF WILL AFFECT BOTH OF THESE TOPICS AND CERTAINLY IS UPPERMOST IN HIS MIND. THE REVIEW IS NOW WELL ADVANCED, OPTIONS ARE BECOMING CLEARER, AND SECRETARY MASON WANTS TO DISCUSS WITH US SOME OF THESE OPTIONS AND HEAR OUR REACTIONS TO THEM.

5. THE DEFENSE REVIEW RESPONDS IN PART TO PRESSURES FROM WITHIN THE LABOR PARTY TO REDUCE BRITAIN'S DEFENSE COSTS TO THE LEVEL OF ITS EUROPEAN PARTNERS (THE UK NOW SPENDS ABOUT 40 PERCENT MORE FOR DEFENSE ON A PERCENT OF GNP BASIS THAN THE AVERAGE OF ITS EUROPEAN NATO/EEC ALLIES), WITH CUTS OF UP TO 1,000 MILLION POUNDS BEING

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URGED; AT THE SAME TIME THERE IS WIDESPREAD FEELING THROUGHOUT THE COUNTRY THAT BRITAIN UNREALISTICALLY HAS RETAINED THE TRAPPINGS OF A FIRST-CLASS IMPERIAL POWER (E.G. A BALANCED NUCLEAR STRIKE FORCE, A WEALTH OF OVERSEAS COMMITMENTS AND GARRISONS IN HONG KONG AND HONDURAS) DESPITE ITS INABILITY TO AFFORD OR MAN SUCH FORCES IN THE POST-IMPERIAL PERIOD. WELL BEFORE THE TORIES LOST POWER LATE THIS WINTER, THEY HAD BEGUN THEIR

OWN MINI-REVIEW DESIGNED TO RECONCILE BRITAIN'S DIS-
PROPORTIONATELY HIGH DEFENSE COSTS WITH THE COUNTRY'S
DECLINING ECONOMIC POSITION. THUS THE BASES FOR THE

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DEFENSE REVIEW ARE BOTH IDEOLOGICAL AND ECONOMIC, AND
SUBSTANTIAL FUTURE YEAR CUTS (WE UNDERSTAND THE ALTER-
NATIVE LEVELS NOW BEING CONSIDERED ARE 200 MILLION
POUNDS, 500 MILLION POUNDS AND ONE BILLION POUNDS AN-
NUALLY) APPEAR INEVITABLE. FISCAL YEAR 1974 (1 APRIL
1974 - 31 MARCH 1975) FUNDS ALREADY HAVE BEEN REDUCED BY
228 MILLION POUNDS--178 MILLION BY THE TORIES, 50 MIL-
LION BY LABOR--AND ONLY MINOR ADDITIONAL REDUCTIONS AP-
PEAR POSSIBLE SHORT OF A MAJOR POLICY SHIFT.

6. THE REVIEW HAS SOUGHT TO LOOK FIRST AT PERIPHERAL
RESPONSIBILITIES AND FORCES (E.G. THE FORCES NOT WITH-
DRAWN EAST OF SUEZ AFTER THE MID-60'S DEFENSE REAPPRAIS-
AL, MALTA, CYPRUS, THE WEST INDIES), WITH HOME DEFENSE
AND NATO-COMMITTED FORCES HAVING HIGHEST PRIORITY AND
BEING CONSIDERED FOR REDUCTION ONLY AS A LAST RESORT.
UNFORTUNATELY, EXTRA-NATO FORCES ACCOUNT FOR ONLY TEN

PERCENT (330 MILLION POUNDS) OF BRITAIN'S DEFENSE COSTS AND, EVEN WERE THEY TO BE ENTIRELY WITHDRAWN, NET SAVINGS WOULD BE MUCH LESS IN REAL TERMS.

7. THUS, MAJOR SAVINGS CAN ONLY COME FROM PROCUREMENT
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OR PERSONNEL, NEITHER AN ATTRACTIVE PROPOSITION. EARLIER REDUCTIONS IN FY 1973 AND 1974 FUNDS HAVE CAUSED NEW PROCUREMENT TO BE STRETCHED OUT OR POSTPONED, WITH PROGRAMS OF GREAT INTRINSIC OR POLITICAL IMPORTANCE SERIOUSLY AFFECTED (THE FIRST OF THE NEW THROUGH-DECK CRUISERS ALREADY HAS SLIPPED A YEAR, AND THE MULTI-ROLE COMBAT AIRCRAFT (MRCA) LOOKS INCREASINGLY DOUBTFUL). PERSONNEL LEVELS (BRITAIN, LIKE THE US, SPENDS SOME 56 PERCENT OF ITS BUDGET ON PAY AND ALLOWANCES) UNDOUBTEDLY WILL COME UNDER EARLY PRESSURE AND ALMOST CERTAINLY WILL BE REDUCED; THE ONLY QUESTIONS ARE LOCATIONS AND TYPES OF FORCES, AND HERE US VIEWS COULD WELL MAKE AN IMPACT.

8. HIGH-RANKING UK DEFENSE OFFICIALS INDICATED SOME WEEKS AGO THAT THEY WOULD LIKE TO CONSULT WITH US WELL BEFORE THE DECISION STAGE OF THE REVIEW TO GET A BETTER IDEA OF OUR VIEWS ON AREAS FOR POSSIBLE REDUCTIONS. WOULD WE, FOR EXAMPLE, VALUE THE PSYCHOLOGICAL SUPPORT OF CONTINUED BRITISH DEPLOYMENTS IN SOUTH EAST ASIA OR THE INDIAN OCEAN MORE THAN MAINTENANCE OF CERTAIN TYPES OF NATO-COMMITTED COMBAT OR SUPPORT FORCES AT PRESENT LEVELS? SHOULD WE PRESS FOR NATO RESPONSIBILITIES TO BE RATIONALIZED IN SUCH A WAY THAT THE UK WOULD BE RELIEVED OF COSTLY FORCE ALLOCATIONS IN ONE OR MORE AREAS? COULD WE OFFER FINANCIALLY ATTRACTIVE ALTERNATIVES TO COSTLY ARMS PROGRAMS (LIKE MRCA) THAT WOULD PERMIT THE BRITISH TO MAINTAIN THEIR PRESENT FORCE STRUCTURE AT LOWER THAN PLANNED COSTS? WE SUSPECT SECRETARY MASON AND HIS ENTOURAGE ARE REACHING THE POINT WHERE US VIEWS COULD BE VALUABLE TO THEM AND THAT THEY MIGHT BE PARTICULARLY RECEPTIVE TO OUR IDEAS DURING NEXT WEEK'S EXCHANGES.

9. THUS, THE FORTHCOMING DISCUSSIONS WITH SECRETARY MASON APPEAR PROMISING FOR BOTH COUNTRIES: MASON'S BASIC AIMS WILL BE MET REGARDLESS OF SUBSTANTIVE CONTENT, FOR HE IS PRIMARILY INTERESTED IN ESTABLISHING RAPPORT WITH SECRETARY SCHLESINGER AND IN DISPELLING THE ACRI-MONY THAT CHARACTERIZED ANGLO-AMERICAN DEFENSE EXCHANGES IN THE LAST MONTHS OF THE TORY GOVERNMENT; FOR ITS PART, THE US HAS AN OPPORTUNITY TO WIN A FAST FRIEND WITHIN THE LABOR RANKS, TO INTERJECT OUR IDEAS ON FUTURE
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BRITISH DEFENSE POLICY AT A CRUCIAL STEP IN ITS
FORMULATION, AND TO HELP RESTORE ANGLO-AMERICAN DEFENSE
UNDERSTANDING AND COOPERATION AS VITAL ELEMENTS IN OUR
NATO AND ATLANTIC RELATIONSHIPS.

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